



Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Proposed Agency Information Collection Activities: Comment Request

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. On January 20, 2022, the Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, requested public comment for 60 days on a proposal to extend for three years, with revision, the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a), which are currently approved collections of information. As described in the

SUPPLEMENTARY INFORMATION section, after considering the comments received on the proposal, the agencies are proceeding with the proposed revisions to the FFIEC 009 and FFIEC 009a, but with certain modifications. In addition, the agencies will make clarifying revisions to the report form and instructions in response to comments received on the proposal.

The agencies are giving notice that they are sending the collections to OMB for review. If approved by OMB, these revisions would take effect for the December 31, 2022, report date.

DATES: Comments must be submitted on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- E-mail: prainfo@occ.treas.gov.
- Mail: Chief Counsel’s Office, Office of the Comptroller of the Currency, Attention: 1557-0100, 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- Hand Delivery/Courier: 400 7th Street, SW., suite 3E-218, Washington, DC 20219.

Instructions: You must include “OCC” as the agency name and “1557-0100” in your comment. In general, the OCC will publish comments on www.reginfo.gov without change, including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by any of the following methods:

- Viewing Comments Electronically: Go to www.reginfo.gov. Click on the “Information Collection Review” tab. Underneath the “Currently under Review” section heading, from the drop-down menu select “Department of Treasury” and then click “submit.” This information collection can be located by searching by OMB control number “1557-0100” or “FFIEC 009 and FFIEC 009a.” Upon finding the appropriate information collection, click on the related “ICR Reference Number.” On the next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating *www.reginfo.gov*, please contact the Regulatory Information Service Center at (202) 482-7340.

Board: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Email: regs.comments@federalreserve.gov. Include “FFIEC 009 and FFIEC 009a” in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available on the Board’s website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information.

FDIC: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- Agency website: <https://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the FDIC’s website.
- Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.
- Email: comments@FDIC.gov. Include “FFIEC 009 and FFIEC 009a” in the subject line of the message.

- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3007, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

Public Inspection: All comments received will be posted without change to <https://www.fdic.gov/regulations/laws/federal/> including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center by telephone at (877) 275-3342 or (703) 562-2200.

Additionally, commenters may send a copy of their comments to the OMB desk officers for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503; by fax to (202) 395-6974; or by email to oir_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: For further information about the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the FFIEC 009 and FFIEC 009a reporting forms can be obtained at the FFIEC's website (https://www.ffiec.gov/ffiec_report_forms.htm).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649-5490. If you are hearing impaired, please dial 7-1-1 to access telecommunications relay services.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

I. Summary

Report Titles: Country Exposure Report and Country Exposure Information Report.

Form Numbers: FFIEC 009 and FFIEC 009a.

Frequency of Response: Quarterly.

Affected Public: Business or other for profit.

OCC

OMB Number: 1557-0100.

Estimated Number of Respondents: 10 (FFIEC 009), 4 (FFIEC 009a).

Estimated Average Time per Response: 135 hours (FFIEC 009), 6.5 hours (FFIEC 009a).

Estimated Total Annual Burden: 5,400 hours (FFIEC 009), 104 hours (FFIEC 009a).

Board

OMB Number: 7100-0035.

Estimated Number of Respondents: 49 (FFIEC 009), 37 (FFIEC 009a).

Estimated Average Time per Response: 135 hours (FFIEC 009), 6.5 hours (FFIEC 009a).

Estimated Total Annual Burden: 26,460 hours (FFIEC 009), 962 hours (FFIEC 009a).

FDIC

OMB Number: 3064-0017.

Estimated Number of Respondents: 13 (FFIEC 009), 10 (FFIEC 009a).

Estimated Average Time per Response: 135 hours (FFIEC 009), 6.5 hours (FFIEC 009a).

Estimated Total Annual Burden: 7,020 hours (FFIEC 009), 260 hours (FFIEC 009a).

General Description of Reports

The Country Exposure Report (FFIEC 009) is filed quarterly with the agencies and provides information on international claims of U.S. banks, savings associations, Edge and/or

Agreement corporations, bank holding companies, savings and loan holding companies, and U.S. intermediate holding companies of foreign banking organizations (collectively, U.S. banking organizations) that is used for supervisory and analytical purposes. The information is used to monitor the foreign country exposures of reporting institutions to determine the degree of risk in their portfolios and assess the potential risk of loss. The Country Exposure Information Report (FFIEC 009a) is a supplement to the FFIEC 009 and provides publicly available information on material foreign country exposures (i.e., all exposures to a foreign country in excess of 1 percent of total assets or 20 percent of total capital, whichever is less) of U.S. banking organizations that file the FFIEC 009 report. As part of the FFIEC 009a, reporting institutions also must furnish a list of countries in which they have lending exposures above 0.75 percent of total assets or 15 percent of total capital, whichever is less.

Legal Basis and Need for Collection

These information collections are mandatory under the following statutes: 12 U.S.C. 161 and 1817 (national banks), 12 U.S.C. 1464 (federal savings associations), 12 U.S.C. 248(a)(1) and (2), 1844(c), and 3906 (state member banks and bank holding companies); 12 U.S.C. 1467a(b)(2)(A) (savings and loan holding companies); 12 U.S.C. 5365(a) (intermediate holding companies); and 12 U.S.C. 1817 and 1820 (insured state nonmember commercial and savings banks and insured state savings associations). The FFIEC 009 information collection is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(8)). The FFIEC 009a information collection is not given confidential treatment.

II. Current Actions

On January 20, 2022, the agencies requested public comment to extend for three years, with revision, the FFIEC 009 and FFIEC 009a. The comment period closed on March 21, 2022. The agencies received one comment letter from a banking trade association. The commenter requested clarification of certain aspects of the proposed FFIEC 009 and FFIEC 009a reporting forms and instructions. The specific comments and the agencies' responses follow.

First, the commenter noted that the proposed change to the naming of headers for Columns 13 through 17 and 18 through 22 of Schedule C, Part I, which the agencies stated would be a nonsubstantive change, could imply that the risk transfers reported on the FFIEC 009 would be limited to only those with guarantors in countries other than that of the immediate counterparty, but would no longer include risk transfers between different sectors within the same country. The commenter recommended renaming the headers to include both other sectors and other jurisdictions to ensure there would be no substantive change in reporting. The agencies agree with the commenter's recommendation and have revised the headers accordingly. In connection with the proposed changes to the FFIEC 009 and FFIEC 009a, it was the agencies' intent that risk transfers continue to be reported according to existing reporting practices and in line with the instructions.

Second, the commenter asked for clarification on whether claims where cash collateral is provided should be included in Column 18 of Schedule C, Part II. Furthermore, the commenter stated that the use of "collateral" with respect to Column 18 seemed out of place and not parallel to the instructions for Column 17. In response to the comment, the agencies have combined the instructions for Columns 17 and 18 to emphasize that the same claims are to be reported, but the risk is to be assigned by different criteria. Furthermore, the revised instructions state that cash held as collateral should not be reported in these columns.

Third, with regard to Schedule C, Part II, columns, 13 through 18, the commenter asked for clarification on the reporting of collateral held against claims where risk transfer occurs because the guarantor is located in a different country, or is from a different sector than the immediate counterparty even though collateral held against the claim does not meet the definition of collateral for risk transfer. This would occur in an overnight resale agreement, collateralized by securities, with a foreign branch of a bank that is headquartered in a third country. In response to the comment, the agencies have amended the instructions to clarify that

collateral held against claims that are subject to risk transfer does not need to be reported in columns 13 through 18 of Schedule C, Part II.

Fourth, the commenter requested clarification on the reporting basis for Columns 1 and 2 of Schedule L, as the agencies proposed to rename the reporting basis for these columns in Appendix A of the instructions but did not propose to change the substantive instructions. The commenter proposed to amend the instructions for these columns to state that deposits of a foreign branch are assumed to be liabilities of the branch unless they are explicitly guaranteed outside of the country where the branch is located. This represents a change from the current instructions, which refer to deposits that are redeemable elsewhere (rather than guaranteed elsewhere). The agencies consider the modification as originally proposed to be a change in name rather than a substantive alteration. The agencies note that there was no change in the instructions for Columns 1 and 2 of Schedule L from the 2019 version and the proposed amendment is out of scope for the current revision. Accordingly, the agencies have decided not to change the corresponding instructions as recommended by the commenter. However, after further consideration and in the interest of clarity, the agencies are revising the form to leave blank the “Reporting Basis” entry in Appendix A (rightmost column) in the row addressing Columns 1 and 2 of Schedule L (which was originally proposed to be “Guarantor Basis”). This change provides a useful clarification because the location is that of the foreign office, not the counterparty, and thus neither Immediate-Counterparty nor Guarantor Basis is applicable. Furthermore, as established in section II.C of the FFIEC 009 general instructions, the Immediate-Counterparty versus Guarantor Basis distinction is to be reported only for claims and not for liabilities.

Fifth, the commenter noted that the draft reporting instructions for Column 2 of the FFIEC 009a report instruct firms to report the sum of Columns 6 through 10 from Schedule C, Part I, of the FFIEC 009 report,” which are “Claims on Local Residents in Non-Local Currency.” However, the proposal does not provide an indication in the heading for Column 2 of the FFIEC

009a that the data reported in the column should be limited to only claims on local residents in non-local currency, nor is there any reference in the draft instructions for the reporting of claims on local residents in local currency. The commenter recommended the agencies clarify whether the data in Column 2 should include claims on local residents in both local and non-local currencies and subsequently modify the heading for Column 2 to clearly specify what is to be captured.

The commenter also stated if the intention for new Columns 1 and 2 of the FFIEC 009a is to collect data on the total claims by the immediate counterparty and as a result should reflect the claims in both local and non-local currencies, the agencies should clarify the reporting instructions for Column 2 to reference Column 12 from Schedule C, Part I of the FFIEC 009 to incorporate claims on local residents in local currency. The agencies agree both new Columns 1 and 2 of the FFIEC 009a should reflect total claims by immediate counterparty and Column 2 should include claims that are reflected in column 12, Schedule C, Part 1 of the FFIEC 009, in addition to those reflected in columns 6 through 12. Therefore, the agencies agree with the commenter's recommendation to include a reference to Column 12 from Schedule C, Part I of the FFIEC 009 in the FFIEC 009a instructions for Column 2 and will modify the heading for Column 2 on the FFIEC 009a report form to specify what is included.

Sixth, the commenter noted that Schedule D of the FFIEC 009 collects information on the fair value of derivative contracts, and the headers for new Column 1 "Amount of Cross-border Claims Outstanding" and Column 2 "Amount of Foreign Office Claims on Local Residents" of the FFIEC 009a explicitly indicate that firms should exclude derivative products. The commenter pointed out that referencing Schedule D in the instructions for new Columns 8 through 11 of the FFIEC 009a created an inconsistency and recommended removing the references to Schedule D from the instructions of Columns 8 through 11. The agencies note that the amounts in Columns 8 through 11, which are reported on an immediate counterparty basis, correspond to the cross-sectoral aggregated amounts in Columns 1 and 2 which are not intended

to include derivatives. Therefore, the agencies agree with the commenter's recommendation to remove the references to Schedule D of the FFIEC 009 and will modify the instructions accordingly.

Seventh, the commenter noted an inconsistency in the proposed FFIEC 009a instructions for Column 3 "Amount of Cross-border Claims Outstanding After Mandated Adjustments for Transfer of Exposure (excluding derivative products)" (existing Column 1), Column 4 "Amount of Foreign Office Claims on Local Residents (excluding derivative products)" (existing Column 2) and Columns 12 through 15 (existing Columns 6 through 9), which redistribute the same amounts reported in Columns 3 and 4. The commenter noted that there is a conflict because, by including references to FFIEC 009 Schedule D, the instructions imply that Columns 12 through 15 include derivative products, while derivatives are explicitly excluded from Columns 3 and 4. The commenter recommended that the agencies revise the reporting instructions for Columns 12 through 15 to remove the references to the FFIEC 009, Schedule D thereby removing derivatives from the reporting of guarantor basis claims in the sector breakdown of Columns 12 through 15. The agencies agree there is an inconsistency, Columns 3 and 4 correctly exclude derivatives, whereas Columns 12 through 15 are intended to include derivatives. Derivatives are listed in Column 5 and included in Column 6, total claims on a guarantor basis, which is the sum of Columns 3, 4, and 5. Therefore, the agencies will revise the column headers and the instructions for Columns 12 through 17 of the FFIEC 009a to reference the total in Column 6 and note derivative products are to be included. Therefore, Columns 12 through 15 will include derivatives and retain the references to Schedule D of the FFIEC 009.

Eighth, the commenter noted that, given the changes to the FFIEC 009 and the renumbering of columns, the instructions for the new Column 24 (currently Column 18) of the FFIEC 009a "Of Which, Resale Agreements and Securities Lending (Counterparty)" incorrectly references FFIEC 009 Schedule C, Part II, Column 16. Additionally, the commenter noted that the column header for Column 24 does not include "Reverse Repurchase Agreements" which is

inconsistent with the column headers of Columns 17 and 18 on the FFIEC 009, Schedule C, Part II, which are “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Counterparty)” and “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Collateral),” respectively. Therefore, the commenter recommended that the agencies revise the reporting instructions for Column 24 of the FFIEC 009a to reference Column 17 of Schedule C, Part II of the FFIEC 009 and revise the header for Column 24 of the FFIEC 009a, to read “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Counterparty),” to be consistent with the headers in the corresponding columns of the FFIEC 009. The agencies agree with the commenter and will revise the instructions and headers accordingly.

Lastly, the commenter expressed a concern that there is potentially conflicting guidance regarding CUSIP netting practices in the FFIEC 009. Specifically, the commenter noted that the agencies had provided one method for netting in a Frequently Asked Question issued in September 2015, while a different method was described in informal guidance during a 2016 regulatory reporting seminar conducted by one of the agencies. In 2019, the agencies received a related comment on whether CUSIP netting in the FFIEC 009 should follow U.S. GAAP. In response to that comment, the agencies clarified that CUSIP netting should not follow U.S. GAAP and reiterated that the current FFIEC 009 instructions (incorporating the method described in September 2015) is the correct method for CUSIP netting in the FFIEC 009.¹ The agencies continue to confirm that only the CUSIP netting method described in the FFIEC 009 instructions is appropriate.

III. Request for Comment

Public comment is requested on all aspects of this notice. Comment is also specifically invited on:

¹ See 84 FR 47340, 47342 (September 9, 2019).

- (a) Whether the information collections are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- (b) The accuracy of the agencies' estimates of the burden of the information collections, including the validity of the methodology and assumptions used;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology;
- and
- (e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies. All comments will become a matter of public record.

Theodore J. Dowd,
Deputy Chief Counsel,
Office of the Comptroller of the Currency.

Margaret McCloskey Shanks,
Deputy Secretary of the Board.
Board of Governors of the Federal Reserve System.

Federal Deposit Insurance Corporation.
Dated at Washington, DC, on August 4, 2022.

James P. Sheesley,
Assistant Executive Secretary.